

FISCAL NOTE

SB 3591 – HB 3489

February 11, 2008

SUMMARY OF BILL: Establishes the Tennessee HOPE Reclamation Grant Program for nontraditional students who meet specified criteria.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$5,702,000 in FY08-09 and by \$5,816,000 in FY09-10.

Assumptions:

- “Non-traditional student” means a student who is at least 25 years of age, and who re-enrolls in an eligible postsecondary institution as a freshman, sophomore or junior after July 1, 2008.
- Such students must otherwise be eligible for the HOPE scholarship, be a Tennessee resident for at least one year prior to the date of application for a grant, be re-admitted to an eligible institution, have an adjusted gross income of \$36,000 or less, and apply for a Tennessee HOPE Reclamation Grant.
- Tennessee HOPE Reclamation Grants are established at \$1,000 per eligible student per semester (\$2,000 per academic year).
- Eligible students are prohibited from receiving more than \$10,000 cumulative.
- No retroactive provisions for Tennessee HOPE Reclamation Grants.
- The Tennessee Student Assistance Corporation (TSAC) has indicated that approximately 2,851 students would be eligible and below the income requirements in the first year (FY08-09).
- The increase of expenditures from lottery proceeds is estimated to be \$5,702,000 (2,851 students x \$2,000 = \$5,702,000) in FY08-09.
- TSAC indicates approximately 2,908 students would be eligible and below the income requirements in the second year (FY09-10).
- The increase of expenditures from lottery proceeds is estimated to be \$5,816,000 (2,908 students x \$2,000 = \$5,816,000) in FY09-10.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/rnc